

China

China's industry minister Jin Zhuanglong pledged to further support the sector in a meeting with manufacturers, according to a readout published on the ministry's official WeChat account.

Jin said the ministry will focus on high-end, smart and green manufacturing, improve communications with the sector, and strengthen policy support for the companies

Jin met with representatives from 10 companies including from electronics, petrochemicals, steel, equipment making, cars, food, and textile (Bloomberg).

Cu/Al

Metals face an increasingly hostile environment. The resurgence of China's property-sector angst, and accompanying lack of big-bang stimulus from Beijing, are headwinds. So too are the manufacturing slump evident across Europe and the US and a Federal Reserve apparently bent on hiking further.

Among the LME heavyweights, copper and aluminum may feel the strain. For the latter, a close below \$2,114/ton — not so very far away — would push prices to lowest since early 2021. For copper, even though stockpiles remain slight, a test of \$8,000/ton would not be a surprise. Notably, cash-to-three month spreads for both are in contango, indicating ample near-term supplies.

Property woes in China — the largest importer of iron ore by a huge margin — are a drag for the steelmaking staple. Futures in Singapore have been holding on above \$100/ton of late, displaying more resilience than seems warranted, especially as top miners in Australia and Brazil are churning out the tons. (Bloomberg).

Copper Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	8,231	R1	8,315		RSI below 50
S2	8,198	R2	8,399	8,274	
S3	8,141	R3	8,470		

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA Resistance band (Black EMA's)
- RSI is below 50 (44)
- Price is below the daily pivot point USD 8,315
- Stochastic is below 50
- Technically bearish with a neutral bias yesterday, the RSI was below its MA which had flattened, warning buyside momentum was slowing. The futures had rejected the EMA resistance band with price starting to roll over to the sell side, warning support levels are starting to look vulnerable. The futures traded lower, but price is still holding above the USD 8,231 support. We remain below the EMA resistance band with the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 8,315 with the RSI at or above 50.5 will mean price and momentum are aligned to the buyside. Downside moves that hold at or above USD 8,231 will support a near-term bull argument, below this level the USD 8,141 fractal low will be vulnerable.
- We remain bearish with the neutral bias, the MA has rejected its MA, warning momentum is weakening, making USD 8,231 a key support to follow. We had a dominant intraday bull candle yesterday signalling there is support just above the USD 8,231 level, if we close below the low of this candle (USD 8,249) it would suggest support has faded. However, if we hold market sellers should be cautious as it would imply that the futures are forming a base and could move higher, as we will have an intraday support zone between USD 8,249 – USD 8,231.

Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear	
S1	2,134	R1	2,140	Stochastic oversold	RSI below 50	
S2	2,118	R2				2,173
S3	2,092	R3				2,285

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (42)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,147
- The longer-term Elliott wave cycle suggests that upside moves are still potentially countertrend. The futures had moved higher on the back of a positive divergence yesterday, but not high enough to confirm that we had entered a countertrend wave 4 yet (this was based off oscillators, if we held around these levels for long enough, we could get confirmation soon as they are a lagging indicator). The MA on the RSI continued to suggest that very near-term momentum was supported, but this was conflicting as the RSI was below 50 with the stochastic is in overbought territory. If we saw a strong move lower from here, we would be looking at wave extension to the downside. From a technical perspective price action is weakening but we remained conscious that a move below USD 2,134 would create a second divergence. Price needed to confirm that we were in a countertrend wave 4, until it did, we remained cautious on downside moves. The futures have moved lower, but we remain above the USD 2,134 fractal low, meaning we have not confirmed that the Elliott wave 3 has extended to the downside. Price is below all key moving averages supported by the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 2,147 with the RSI at or above 47 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below 2,185 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias.
- Technically bearish, we remain on an Elliott wave 3 but are yet to see if it will extend to the downside; however, below USD 2,134 the futures will be in divergence, warning we have the potential to see a momentum slowdown. In either scenario regarding wave extension, upside moves will be considered as countertrend at this point based on our Elliott wave analysis.

Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,324	R1	2,367	Stochastic oversold	RSI below 50
S2	2,293	R2	2,420		
S3	2,245	R3	2,438		

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (46)
- Stochastic is oversold
- Price is below the daily pivot point USD 2,367
- Technically bullish with a neutral bias yesterday with USD 2,420 is the key resistance to follow; the Elliott wave cycle remained bearish. Like the previous day, we needed to see the futures close below and hold below the USD 2,324 level, as this support had been respected three times. Until we did, we remained cautious on downside moves, leaving us with a more neutral bias for now. The futures moved lower, but we remain above the USD 2,324 level, price is below the EMA resistance band with the RSI below 50, intraday price and momentum are aligned to the sell side.
- A close on the 4-hour candle above USD 2,367 with the RSI at or above 51.5 will mean price and momentum are aligned to the buyside. Upside moves that fail at or below USD 2,420 will leave the futures vulnerable to further tests to the downside, above this level the USD 2,470 fractal resistance could be tested. We have now rejected this level.
- We maintain a neutral view on the technical as price has rejected the USD 2,420 resistance, warning support levels are vulnerable; however, we remain above the USD 2,324 support level that has been respected three times.

Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear	
S1	20,861	R1	21,270	RSI above 50	Stochastic overbought	
S2	20,682	R2				22,218
S3	20,440	R3				22,654

Synopsis - Intraday

Source Bloomberg

- Price is above the EMA resistance band (Black EMA's)
- RSI is above 50 (58)
- Stochastic is overbought
- Price is above the daily pivot point USD 20,886
- Technically bearish with a neutral bias yesterday, upside moves that failed at or below USD 22,218 would warn that there is potentially a larger corrective cycle in play; however, above USD 20,865 the technical would be bullish based on price, at this point resistance levels would become vulnerable. We remained cautious on downside moves as the futures were likely to create further divergence below USD 19,925. The futures have moved higher, meaning the intraday technical is now bullish. Price is above the EMA resistance band with the RSI above 50, intraday price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 20,886 with the RSI at or below 47.5 will mean price and momentum are aligned to the sell side. Downside moves that hold at or above USD 20,440 will support a bull argument, below this level the technical will have a neutral bias.
- Technically bullish, the MA on the RSI implies momentum is supported, suggesting support level could hold if tested. Key resistance going forward is at USD 22,218, if this level is rejected, it will warn that there is a larger corrective cycle in play. If broken, the USD 23,400 high becomes a legitimate upside target.

Lead Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,051	R1	2,100	Stochastic oversold	RSI below 50
S2	2,036	R2	2,114.5		
S3	2,015	R3	2,150		

Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (45)
- Stochastic is oversold
- Price is on the daily pivot point USD 2,072
- Technically bearish with a neutral bias previously, upside moves above USD 2,114.5 would mean we were bullish based on price. However, upside moves that failed at or below USD 2,142 would warn that we potentially have a larger corrective cycle in play, making this a key longer-term resistance to be aware of. The EMA band was flat, as was the MA on the RSI, suggesting there was more of a neutral bias creeping in, as the market looked to establish its next directional move. The futures moved lower but we remain above the USD 2,050 low. Price is below all key moving averages with the RSI below 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 2,072 with the RSI at or above 49.5 will mean price and momentum are aligned to the buy side; likewise, a close below this level will mean it is aligned to the sell side.
- The RSI rejected its MA yesterday, resulting in the futures moving lower, warning that the USD 2,050 fractal support is vulnerable. We are a little cautious here, as the futures initially moved higher on the back of a lower timeframe positive divergence, having completed a 3-wave pattern. A new low would suggest we are seeing some form of Elliott wave extension to the downside, meaning there is a larger cycle in play. We are cautious as the move higher on the 30/06 would be an unusually shallow wave B. From a technical perspective we can see momentum and price are weakening; however, with the wave cycle being unclear I am going to take a neutral view.

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